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8 **UNITED STATES BANKRUPTCY COURT**
9 **DISTRICT OF NEVADA**

10 In re:

Case No. BK-S-09-29126-MKN
Chapter 7

11 HOTEL FURNITURE SALES, INC.,

12 Debtor.

**DECLARATION OF LENARD E.
SCHWARTZER SUPPORTING
MOTION TO ABANDON DEBTOR'S
PERSONAL PROPERTY**

13 Date: December 15, 2010
14 Time: 11:00 a.m.

15 I, Lenard E. Schwartz, do hereby declare under penalty of perjury as follows:

16
17 1. I am over the age of eighteen and am competent to make this Declaration. I have
18 personal knowledge of the facts in this matter, except where stated upon information and belief.

19
20 2. I am the duly appointed Chapter 7 Trustee for the estate of Hotel Furniture Sales,
21 Inc. (the "Debtor").

22 3. I make this Declaration in connection with the *Motion to Abandon Debtor's*
23 *Personal Property* (the "Motion") filed concurrently with this Declaration, and if called to testify,
24 I could and would testify to the following statements set forth herein.

25 4. On October 12, 2009 (the "Petition Date"), Debtor filed a voluntary petition for
26 relief under Chapter 11 of the Bankruptcy Code. The Debtor continued to manage its affairs as
27 debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code until July 13,
28 2010, when the Court entered an *Order Granting Motion for Order Converting Case to Chapter 7*

1 or for Appointment of Chapter 11 Trustee or Examiner [Docket #150] directing the appointment
2 of a Chapter 11 trustee for this case.

3 3. On July 13, 2010, the Office of the United State Trustee filed the *Appointment of*
4 *Lenard E. Schwartzer As Trustee For The Estate of Hotel Furniture Sales, Inc.* [Docket No. 151],
5 and on November 5, 2010, the Court entered the *Order Granting Motion of Chapter 11 Trustee for*
6 *Conversion of Case to Case Under Chapter 7* [Dkt. #200].

7 4. I am familiar with Debtor's operation since being appointed as Chapter 11 Trustee,
8 and have determined that the Debtor was engaged in the acquisition and sale of large volumes of
9 new and used hotel furniture which it then sold through retail and wholesale channels. The Debtor
10 utilized two massive warehouse locations -- the larger of which is approximately 56,000 square
11 feet with furniture stacked over forty feet in the air.


12 5. I have determined that the labor and trucking cost of simply removing and
13 disposing of the inventory will exceed \$150,000 and could take weeks to accomplish based on
14 Debtor's previous relocation, and the estate cannot afford continued storage costs for the
15 inventory.

16 6. I believe the titled vehicles and trailers, by contrast (see **Exhibit "2"** to the Motion)
17 can be sold for a net benefit to creditors, and they should not be abandoned.

18 7. I am attempting to negotiate a sale of the entirety of Debtor's personal property and
19 goodwill, but if I am unable to sell Debtor's personal property "as is, where is," then the continued
20 storage of the personal property, with the exception of the titled vehicles and trailers, will
21 immediately exceed any expected net benefit to the estate, and should be abandoned.

22 I declare, under penalty of perjury, that the foregoing is true and correct, to the best of my
23 knowledge, information and belief.

24 Dated this 17 day of November, 2010.

25 
26 Lenard E. Schwartzer, Trustee